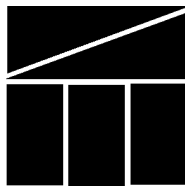


Instructions for Preparing Budget Reduction Data Submissions



Amendments to the 2002-2004 biennial budget



**Virginia Department of Planning and Budget
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Instructions for Budget Reduction Data Submissions

Amendments to the 2002-2004 Biennial Budget

These instructions describe how to develop data submissions that amend the 2002-2004 biennial budget to reflect your agency's budget reductions. The purpose of the submission is to array the budget reductions against your agency's programs and subprograms so the reductions will be shown properly in the Budget Bill the Governor will submit in December to amend the 2002-2004 biennial budget.

Your submission will reflect both the "Executive Management Savings" contained in the 2002 Appropriation Act, as well as the across-the-board budget reductions announced by Governor Warner on October 15, 2002.

Data submissions to reflect these reductions must be submitted to the Department of Planning and Budget (DPB) by close of business on Monday, November 4, 2002.

No narrative justification or tabular breakout of data is necessary for this submission. A data submission made electronically through WebBEARS, the web-based system that provides a more user-friendly interface to On-Line PROBUD, will provide sufficient information.

You will also receive, in the upcoming weeks, instructions for other submissions related to amendments to the 2002-2004 biennial budget. These include: (1) nongeneral fund revenue estimates, and (2) other reporting forms required by the General Assembly. Selected agencies may be asked to make further submissions to reflect specific targeted reductions or mandatory spending items.

A brief calendar of key budget development dates:

Action	Key dates
Budget Reduction Data Submission	Submission due to DPB by November 4, 2002
Nongeneral Fund Revenue Estimates	DPB issues instructions in late October Submission due to DPB in mid-November
Other Legislative Reporting Forms	DPB issues instructions in late October Submission due to DPB in mid-November
Governor submits amendments to the 2002-2004 budget	December 20, 2002

Note: These instructions do not apply to institutions of higher education. Institutions of higher education will receive separate instructions later about their revised reduction plans and a data submission to reflect those reductions.

Overview of submission

The data submission due to DPB by close of business on Monday, November 4, 2002 includes two major items:

- 1. 2002 Appropriation Act reductions.** You must submit one amendment to reflect the reductions already in the 2002 Appropriation Act. (Exception: In the rare case that the 2002 Appropriation Act reduction for an agency involves additional nongeneral fund revenue, you must submit a separate amendment to show the nongeneral fund increase.)

For most agencies, these reductions are contained within the agency's budget in Program 713, Executive Management Savings. These agencies must submit one amendment that arrays the reductions in the proper program/subprogram for each year of the biennium (FY 2003 and FY 2004).

For other agencies, especially health and human resources agencies and some education agencies, the reductions were made in Central Appropriations (Items 506 and 506.10). No action is necessary for FY 2003 for these agencies. However, these agencies must submit an amendment for FY 2004 to array the reductions to the proper program/subprogram within the agency.

- 2. New across-the-board reductions.** You must submit one amendment to reflect the across-the-board reductions announced by Governor Warner on October 15, 2002. All of your agency's reduction strategies can be rolled up into one amendment. (Exception: Any reduction strategy that involves additional nongeneral fund revenue, such as a fee increase, must be submitted as a separate amendment.)

Figuring personal services amounts

If your budget reduction amendments affect positions, be sure you calculate fringe benefit savings for any reduction in vacant positions or any layoffs using the rates on the following table.

Note that you will also need to reflect Workforce Transition Act (WTA) costs for any layoffs. You may find it helpful to download the WTA calculator contained on DPB's website with these instructions. When showing WTA costs, use the new 117X subobject series to record these amounts. [For more information about these WTA-related subobjects, go to the DPB website's "Documents and Forms" page (www.dpb.state.va.us/forms/forms.cfm) and open the file under Expenditure Structure called "Special Notice for Workforce Transition Act Termination Costs (1170)."]

Please remember to keep lag pay in mind when calculating savings amounts for positions. Specifically, due to lag pay, the first pay period in FY 2004 will use FY 2003 rates. The listed rates for FY 2004 will therefore be effective for only 23 pay periods during FY 2004.

Also note that the rates shown on the table are expressed as a percentage of pay, with the exception of employer health insurance premiums and the deferred compensation match, which are expressed in absolute terms.

Subobject	Factor	2003 Costs	2004 Costs
1111	VRS contributions State employees VaLORS State Police Judges	5.00 percent 17.00 percent 16.05 percent 34.00 percent	8.77 percent 18.95 percent 17.79 percent 37.03 percent
1112	Social Security	6.20 percent capped at \$84,900 in calendar year 2002, and at \$87,000 in calendar year 2003	
1112	Medicare	1.45 percent	
1114	Group life insurance premium	Premium holiday	
1115	Health insurance premiums Key advantage Employee only Employee plus one Family Two employee family Cost Alliance HMO	\$3,288 a year \$4,980 a year \$6,684 a year \$7,980 a year \$6,528 a year Varies by product, maximum equal to employer premium for Key Advantage plans	
1116	Retiree Health insurance credit premium	0.89 percent	
1117	Long-term disability insurance State employees State Police VaLORS	1.07 percent 1.42 percent 1.42 percent	
1118	Teachers Insurance and Annuity¹	10.4 percent	
1119	Defined Contribution Plan²	10.4 percent	
1138	Deferred Compensation Match Payments	One-half of an employee's contribution per pay period, per participant up to a maximum of \$20 per pay or \$480 annually.	

¹For institutions of higher education: This includes alternative retirement options, such as TIAA-CREF, for those employees as defined in § 51.1-126 of the Code of Virginia.

²Used for employees eligible for a defined contribution plan established pursuant to § 51.1-126.5 of the Code of Virginia.

Submitting the data

Submit your data submission using **Web BEARS**, the new web-based budget submission system. WebBEARS can be reached through DPB's web site. (Go to www.dpb.state.va.us and click on the WebBEARS button in the blue column at the left of the home page.) See the "Tips on Using WebBEARS" section of these instructions for details on obtaining a log-on ID.

Follow the specific guidelines below for making the WebBEARS submission:

Clearing out 2002 Appropriation Act reductions. If your agency's reductions are found in your agency in program 713, Executive Management Savings, you will need to show a positive amount in subobject code 8600 in this program equal to the amount in the Appropriation Act. You will then need to show negative amounts in the programs and subprograms where these reductions will occur. Your amendment should include both years of the biennium (FY 2003 and FY 2004)

If your 2002 Appropriation Act reductions are in Central Appropriations (Items 506, 506.10, or 506.20), you will only need to show the reductions in the appropriate programs and subprograms in your agency. (The necessary adjustments to Central Appropriations will be made by DPB.). You do **not** need to submit an amendment for FY 2003. You should submit only an amendment showing the second year of the biennium (FY 2004). (Note: Contact your DPB budget analyst if you do not know the amount of the Central Appropriations reduction for FY 2004 for your agency.)

Use number 11 for the amendment related to the 2002 Appropriation Act reductions. In the rare case that an agency's reduction in the 2002 Appropriation Act includes additional nongeneral fund revenue, use a separate amendment (number 15) for the nongeneral fund increase.

Spreading the October 15, 2002, across-the-board reductions. You will need to enter for both years' negative amounts (dollars and positions, general fund and nongeneral fund) in the programs and subprograms where these reductions will occur. You may also have some positive amounts to reflect costs (such as benefits under the Workforce Transition Act). **The net amounts you enter must equal the total net amounts (general fund and nongeneral fund dollars and positions) shown for your agency in the [Budget Reduction Plans Summary Table, Oct. 15](#) on the home page of the DPB website.** (Note: If your agency anticipates modifying its reduction plan as it implements the reduction, please contact your DPB budget analyst.)

Remember that you submit only one amendment (number 21) to roll up all the strategies in your budget reduction plan. The only exception is if you have strategies that call for additional nongeneral fund revenue. Submit a single separate amendment (number 25) for any additional nongeneral fund revenue.

If your agency's budget reduction strategies contain any special situations such as reduction of nongeneral fund cash for which there is no appropriation, contact your DPB budget analyst about how to handle.

Use incremental amounts. Use incremental amounts over the 2002 Appropriation Act. Do **not** use replacement amounts.

Personal services. For all personal services, array each amendment by subobject detail. (You can download the revised Expenditure Structure, dated October 17, 2002, from DPB's web site at www.dpb.state.va.us. Click on the "Documents and Forms" link in the blue column at left of the home page, then type in "Expenditure" in the Search phrase box.)

Show both reductions and any costs (such as benefits under the Workforce Transition Act) associated with the reductions. If the reduction amendment includes any layoffs that require

payments under the Workforce Transition Act (WTA), use the appropriate subobjects for those costs (the new 117X subobject series).

Do not use any other convenience codes for personal services.

Remember to carry out position reductions to two decimal places.

Nonpersonal services. For all nonpersonal services, use only one single convenience object of expenditure: 6200. This is a special new major object set up for recording these across-the-board reductions. Do **not** use individual subobjects of expenditure or the convenience objects that have been used for nonpersonal services in the past for budget submission. Show a net number for all nonpersonal services, inclusive of any costs.

Numbering the amendments. For most agencies, you will have only two amendments: (1) one amendment to array the reductions in the 2002 Appropriation Act, and (2) one amendment to array the reductions announced by the Governor on Oct. 15, 2002.

You must use number 11 for the amendment reflecting the reductions in the 2002 Appropriation Act. Should the agency's 2002 Appropriation Act reductions involve additional nongeneral fund revenue, use amendment **number 15** to submit the nongeneral fund increase.

You must use number 21 for the amendment for the October across-the-board reductions. Should the across-the-board reductions contain new fees or other additional nongeneral fund revenue, submit a separate amendment to show the additional nongeneral fund revenue. ***You must use number 25 for this amendment.*** (Note: If your agency has several strategies involving nongeneral fund revenue, roll them all up into one amendment.)

Fund/fund detail information. Include fund information at the program level by fund group. If your agency normally uses fund detail information, include this level of detail in your submission. (Note: This is very important since these changes will be incremented against the fund/fund detail data contained in your agency's budget in the 2002 Appropriation Act. Do **not** use any fund/fund detail for your agency that is not contained in the 2002 Appropriation Act. If you should enter a fund/fund detail record for your agency that is not in the 2002 Appropriation Act, the submission will create a negative fund amount which your agency will have to correct.)

Balancing the submission. Before submission, make sure that -- for each amendment-- the total dollars and positions for fund/fund detail at the program level balance to the dollars and FTEs at the subprogram level. If the amendment contains multiple programs, the same rule applies: Each program must balance for dollars and FTEs at fund/fund detail and at the subprogram level.

Tips on using WebBEARS

- Most agencies have already obtained a login ID for all staff who will be using the WebBEARS system. If you have not already obtained an ID, you must first complete an “access request form” to gain a logon ID and password before using the system for the first time. Simply go to the DPB web site (www.dpb.state.va.us), click on the State Agency Services button, then click on WebBEARS, click on “access request form” and then fill in the required information. Finally, click the “submit” button.
- Remember to use the drop-down menu on the main screen of WebBEARS to select “2003 Reductions” when you enter your data. WebBEARS automatically codes all data for these amendments as Level 2.
- WebBEARS has friendly “Help” screens that guide you through the system. If you have technical questions, please contact your budget analyst. If your budget analyst is unavailable, you may call:

Martha Twiggs	804-786-1429
VanNessa Davis	804-786-2541
- WebBEARS automatically sends DPB an email when you complete your data submission by clicking on the final “Complete submission” button.

Other later submissions

Legislative reporting forms

The General Assembly has enacted provisions requiring agencies to report certain information. Later this fall, DPB will issue a separate package of instructions for meeting the following legislative requirements. These submissions will be due back to DPB in mid-November.

Federal spending. Section 2.2-603 (E) of the Code of Virginia requires that agencies report the percentage of their spending from federal funds each year.

Federal grants. Section 2.2-603 (E) of the Code of Virginia requires agencies to compile information regarding any federal contracts, loans, or grants in excess of \$1.0 million for which they may be eligible.

Federal mandates. Section 2.2-603 (E) of the Code of Virginia requires that agencies report annually on any federal mandates affecting the agency.

Organizational memberships. Section 4-5.07 c2 of the 2000 Appropriation Act requires each agency to report to DPB annually the name and purpose of its organizational memberships with annual dues of \$5,000 or more.

Nongeneral fund revenue estimates

Section 2.2-1503 of the Code requires the Governor to provide a six-year projection of nongeneral fund revenues. DPB will provide instructions for submitting your agency's estimates, which will be due in mid-November.

Appendix: Terms used in these instructions

- **FY 2003** means the fiscal year beginning July 1, 2002, and ending June 30, 2003.
- **FY 2004** means the fiscal year beginning July 1, 2003, and ending June 30, 2004.
- **2002-2004 biennium** refers to the two-year period including FY 2003 and FY 2004, which begins July 1, 2002, and ends June 30, 2004.
- **2002 Appropriation Act** refers to Chapter 899, 2002 Acts of Assembly.
Note: You can access the 2002 Appropriation Act online at the following link: <http://leg1.state.va.us/021/sb2.htm>. This link takes you directly to the “search” feature for the full text of the 2002 Appropriation Act on the General Assembly’s Legislative Information System (LIS) hosted by the Division of Legislative Automated Systems.

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